

U.S. Installs Seismic Gear At Soviet Nuclear Site

MOSCOW — U.S. scientists have installed the first Western monitoring station at a Soviet nuclear test site, putting about a dozen seismic devices in rugged hillsides of remote Kazakhstan, a member of the group said Sunday.

Thomas Cochran, a scientist with the Washington-based National Resources Defense Council, said his group received strong Soviet support for the project, which he hopes will show that it is possible to set up stations for monitoring a nuclear test.

But he said the scientists have no assurance that they will be allowed to monitor an actual nuclear test, although the Russians resumed their testing program after Mikhail S. Gorbachev's unilateral moratorium expires on Aug. 6.

"We will certainly be allowed to stay there after Aug. 6," he said. "We'll have to see if we'll be allowed to record their tests or not."

"Either way," he added, "we know that a test comes Kazakhstan will be lost if we're not allowed to monitor a test would be additional interesting technical information that could be useful in their calibrating the site."

The project, which calls for Soviet scientists to install their own seismic-monitoring stations near the Nevada testing site in the United States, marks the first time Western scientists have been allowed near the Soviet site or permitted to set up a monitoring station on Soviet territory.

The project is being conducted under an agreement between the nonproliferation center and the Soviet Academy of Sciences.

Adrian W.A. De Wind, the chairman of the council, said Sunday in Moscow that the "State Department has told us via word of mouth that the Soviet scientists will come to the United States."

The Soviet test site is about 1,800 miles (2,900 kilometers) southeast of Moscow near the Kazakhstan city of Semipalatinsk.

Mr. Cochran said teams of seismologists and geologists from the University of California at San Diego brought in seismometers and installed them at three locations around the testing site.

Mr. Cochran said the three stations are only temporary, made with "off-the-shelf equipment" brought in hastily after the agreement was signed May 28.

"Under a comprehensive test ban," he said, "one would want to set up perhaps 25 stations in the Soviet Union and similar in the United States to monitor the entire country."

"We are not setting up that network," he said. "This is a demonstration project to show that you can set up a station in the Soviet Union."



Vladimir Keilis-Borok, left, a professor at the Moscow Institute of Physics of the Earth, and Thomas Cochran announce the arrival of a U.S. team to monitor a Soviet nuclear site.

Arms Proposal Assailed in U.S.

Critics of Reagan Plan for 50% Cut Say It Goes Too Far

By Michael R. Gordon

WASHINGTON — Some experts on nuclear arms say the Reagan administration's proposal for deep reductions in strategic arms could increase the vulnerability of American nuclear forces to Soviet attacks.

These experts are questioning the administration, as it ponders a response to a recent Soviet strategic arms counterproposal, to modify its proposal and thus make American forces less vulnerable.

The administration is considering how its proposal for deep cuts in strategic arms should be changed in order to respond to the latest Soviet moves at the Geneva arms talks.

Brent Stowforth, a retired air force general who was President Gerald R. Ford's national security adviser, said, "Our present proposal would leave us with a force posture that tends to be less stable than it is now."

He said the proposal would mean important changes in the administration's strategy for achieving a 50-percent cut in strategic arms would lead to a more stable strategic balance by forcing a large reduction in the Soviet Union's force of land-based missiles, which the administration claims to include weapons suitable for carrying out a first strike.

Administration officials also note that the proposal would force a major reduction in the payload of Soviet missiles.

Michael H. Mobbs, an assistant secretary of the Arms Control and Disarmament Agency, said such reductions "are clearly good for stability."

Other administration officials said privately that there was some merit to the critics' arguments and added that ideas were circulating within the administration to rectify what they consider a deficiency in the current American proposal.

Critics of the American proposal say that they have two main concerns. One is that the offer would not significantly reduce — and could even increase — the vulnerability of U.S. land-based missiles. Critics say the proposal, while reducing strategic arms, could leave a high ratio of Soviet land-based missile warheads to American missile silos.

John Steinbruner, director of foreign policy studies at the Brookings Institution, said the American proposal could have a reverse effect, increasing the ratio of Soviet warheads to U.S. missile silos.

This partly stems from the fact that the American proposal does not discourage both sides from deploying missiles that carry a large number of warheads, and as many experts have said it should. Moreover, the proposal bans long-range missile warheads that could elude attack, but which Defense Department officials say could be difficult to monitor.

The second major concern is that the proposal could force the army to sharply reduce its force of missile-carrying submarines. This, in turn, could make the submarine force, the most survivable of the triad of the strategic force, potentially more vulnerable to break-throughs in the Soviet capability for sea-submarine warfare.

James L. George, a former army officer and a former official with the Arms Control and Disarmament Agency, recently said that the U.S. submarine force could become "quite vulnerable" under the American arms proposal. Mr. George made his comments in an article in the April issue of the Proceedings of the U.S. Naval Institute, a monthly journal.

The American strategic arms proposal, calling for a 50-percent reduction in arms, was made in November. Some officials say the administration approved a cut of 20 percent because the Soviet Union had called for cuts of this size and because it was felt that a 50-percent cut was an easily understood notion that would appeal to the public.

The police compromise enraged Puritans Catholics, especially since Protestants threw firebombs in the tunnel during Friday night.

Michael McCoo, an activist in the Social Democratic and Labor Party, which is mainly supported by Catholics, expressed bitterness over the police decision.

"The only one way to describe it, total humiliation of the nationalist community," he said, "and added, 'Humiliation is not the word for it — trampling into the ground again.'"

The police had a heavy presence on Woodhouse Street, Portland, down, leading from the town center toward the tunnel district.

The street was the scene of the fighting last night. And it was there in March that a young Protestant was fatally injured by a plastic bullet fired by a policeman during the 1976-77 civil disturbances.

Not long after the Saturday morning scene of marches had been broken up, the Catholic police came in without incident, the police came in for 90 minutes of stone and bottle-throwing.

After Protestant demonstrators returned to the area, young men, some of them, tried to break police lines. They were charged with rioting.

A police Land-Rover was overturned, with the driver, filling the air with black smoke.

A CBS television crew, intent on getting footage of the burning wreckage, got over it. The wreckage, the police, the violence, was throughout the violence, as ambulances edged in and out, the

SDI Separate, Reagan Says

President Ronald Reagan insisted Saturday that his missile-defense program, the Strategic Defense Initiative, would not become a "bargaining chip" in any arms control negotiations with the Soviet Union.

The Washington Post reported from Washington.

Mr. Reagan's comments, in his weekly radio address, came after reports that the latest Soviet arms proposal had sparked renewed discussions of a possible deal in deployment of the missile-defense system in exchange for deep cuts in the superpowers' offensive arsenals.

The president said that his missile-defense program would make nuclear missiles less effective and thereby more negotiable.

"And when we talk about negotiations, let's be clear," he said. "Our SDI research is not a bargaining chip. It's the number of offensive nuclear missiles that need to be reduced, not the effort to find a way to defend mankind against these deadly missiles."

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127 Arrested in Ulster, Many Hurt in Marches

By Robert O'Connor

PORTADOWN — Northern Ireland — Police said 127 persons were arrested and 196 injured in weekend demonstrations marking the anniversary of the 1606 burning of the Boyne that established Protestant hegemony in Northern Ireland.

While an estimated 100,000 members of the Protestant Orange Order marched mostly in peace in much of the province, there was serious violence Saturday in the Causeway Heights area of Portadown.

It was in Portadown that Protestants batted the police for two days last week. Protestants tried to get into the Roman Catholic police district. Last summer, the police adopted a policy of diverting protesters away from Catholic areas.

This year, Protestants threatened a march on the Catholic area of Portadown unless they were allowed through the district. A compromise by the Royal Ulster Constabulary diverted the parade to the more populous Catholic Garvaghy Road.

Protestant anger at what is known as Anglo-Irish fifth century of November that gave Dublin a say in the British-ruled province prompted fears that this year's demonstrations would be particularly violent.

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WORLD BRIEFS

10 Nuns Kidnapped in Philippines

ZAMBOANGIA, Philippines (AP) — Armed men have seized 10 Filipino Roman Catholic nuns from a U.S. Peace Corps mission station in a nearby town in two separate kidnappings.

An army commander said Sunday that the nuns were abducted in the convent Friday night. The American, Brian Lawrence, 30, of Los Angeles, was kidnapped Saturday. No group has been ordered the kidnappings and it was not known if the two incidents were related, officials said.

In Manila, the police broke up a gathering Sunday of about 100 supporters of former President Ferdinand R. Marcos near a hotel he had fled to after being ousted from power on Feb. 25, 1986. The police held four persons for questioning.

Soviet Reports Afghans Rout Rebels

MOSCOW (Reuters) — The Soviet Union reported Sunday Moscow-backed government forces in western Afghanistan have won major engagements, killing dozens of insurgents and capturing a number of weapons.

The official Soviet press agency Tass said the Afghan government troops had routed guerrillas attempting an offensive in the province Herat, killing 100 and seizing machine guns, artillery, heavy machine guns and small arms.

Last month, rebel forces operating from Pakistan and Iran won heavy fighting around the town of Herat, close to Iran and the Republic of Turkmenistan. The rebels said the Communist forces were using missiles and long-range artillery.

Paris Expels Suspected Basque Leader

BAYONNE, France (Reuters) — A suspected Basque guerrilla leader, Domingo Iturbe Abaso, has been deported to Gabon, in central Africa, after being expelled from France.

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Malaysia's Ruling Coalition Reported To Face Erosion of Islamic Support

By Barbara Croesette

KUALA LUMPUR, Malaysia — The political influence of Islamic conservatives is growing in Malaysia, according to a report by Prime Minister Mahatir bin Mohamad, said Sunday, according to a report by Prime Minister Mahatir bin Mohamad.

Mr. Mahatir said the coalition government, dominated by Malay Muslims, has been functioning smoothly at least partly because of a large majority. Even supporters of the prime minister say he is almost certain to lose, say, if not all of that edge in the election. Islamic pressure is only one of the reasons.

The coalition, in an economic slump not largely of the government's making, charges of corruption are heard on every side, most

now, but Mr. Mahatir has been slow to set a date, diplomats say.

Mr. Mahatir heads a coalition government, dominated by Malay Muslims, has been functioning smoothly at least partly because of a large majority. Even supporters of the prime minister say he is almost certain to lose, say, if not all of that edge in the election. Islamic pressure is only one of the reasons.

The coalition, in an economic slump not largely of the government's making, charges of corruption are heard on every side, most

of them aimed at friends of the prime minister who are known publicly to have benefited from lucrative government contracts.

"There is a scene here among Malays, whom the prime minister has most wanted to help, that some Malays have done a little bit better than others," a Western diplomat said. As active "Xerox press" circulates details not found in the government-controlled newspaper.

Critics blame Mahatir, traditionally rural people, from about half the population. But the Malays have fallen behind the Chinese and various government programs have been introduced to help them.

The government has now threatened by economic pressure.

Meanwhile, the Malaysian Chinese Association, the ethnic Chinese component of the National Front coalition, is in disarray after the arrest in Singapore of its leader, the *Kong Siang*, on stock market violations there.

The growing political weight of conservative Muslims can be measured not only in the potential voting strength of the fundamentalist Islamic party — the Parti Islam Malaysia — or PAS, which is trying to form a coalition front with other splinter opposition parties — but also in the frequent concessions a defensive Mahatir government has to make to conservative Islamic sentiment.

Last week, for example, a scholarly book challenging the orthodoxy of the Hadith, the collected sayings of the Prophet Muhammad, was banned nationally, although it was not a religious book.

"We used to think of Singapore as the land of the region," a Malay politician said. "Now we think it might be the Beirut."



Mahatir bin Mohamad

Emir of Kuwait, Citing a Crisis, Reforms Cabinet

By Robert O'Connor

KUWAIT — The Emir of Kuwait has reorganized the cabinet, citing a crisis in security and the economy.

The Emir, Sheikh Jaber al-Ahmad al-Sabah, made no major changes, keeping the key members of the cabinet.

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49 Are Killed In Clashes in West India

By Robert O'Connor

AHMADABAD, India — A crowd burned two young Muslim men alive at a hospital Sunday, leaving 49 dead in five days of Muslim-Hindu violence in Ahmadabad and surrounding regions of Gujarat state in western India.

The two Muslims, each about 25, were at the Ahmadabad hospital to visit someone hurt in the violence. They were taken to the second floor by about 50 men who beat them and threw them out of a window. Another crowd then poured petrol on them and burned them to death.

It was the second case of immolation in two days. Five members of a family of about 10 were killed in a suburb of Ahmadabad on Saturday.

Police said the violence, which began in the north, the Gujarat state, was spreading to other parts of Gujarat state. The Press Trust of India reported.

Earlier, the Ahmadabad police repeatedly fired upon rioters as they began burning down buildings in the city district.

The police, ordered to shoot rioters on sight, opened fire four times in outlying working-class districts as roving groups of Muslims and Hindus burned shops and homes in each other's communities.

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Iran Expels a Reuters Correspondent

LONDON (Reuters) — Iran has ordered a Reuters correspondent, Hugh Pope, to leave the country, accusing him of disclosing military secrets in a dispatch about an Iraqi ship on a communications ground station.

AMERICAN TOPICS

They Say They Want Reagan Democrat

They say they want a moderate Democrat who will offer a continuation of the Reagan administration's policies, according to an opinion poll by U.S. News and World Report and Cable News Network. A "quite conservative" Democrat was the preference of 45 percent of those polled. "Moderately liberal," 31 percent; "quite liberal," 8 percent; and other or do not know, 16 percent. Forty-six percent wanted Mr. Reagan's term continued, 37 percent a change, 10 percent a partial change and 7 percent did not know.

Paris Expects Suspected Bombing to Wipe Out Towel Crime

Paris expects a suspected bombing in the city's tourist areas to wipe out towel crime. The city's police are putting out a warning to tourists to be careful of their towels. The police say that towels are being used as a weapon in the city's tourist areas. The police say that towels are being used as a weapon in the city's tourist areas.

Sri Lankan Party Rejects

The Sri Lankan party rejected the proposal for a ceasefire. The party said that the proposal was not in the interests of the people of Sri Lanka. The party said that the proposal was not in the interests of the people of Sri Lanka.

For the Record

The record shows that the proposal for a ceasefire was not in the interests of the people of Sri Lanka. The record shows that the proposal was not in the interests of the people of Sri Lanka.

Edward Lipinski Dies

Edward Lipinski, a Polish dissident, died. He was a member of the Solidarity movement in Poland. He was a member of the Solidarity movement in Poland.

Quake Kills in California

A major earthquake struck California, killing several people. The earthquake was felt in several states. The earthquake was felt in several states.

Travellers & Expatriates

Travellers and expatriates are advised to be careful. The weather is unpredictable. The weather is unpredictable.

Short Takes

A New York producer-director of television commercials, Mark Heller, is the author of a book about the life of a producer-director. The book is titled "The Life of a Producer-Director".

Katherine Hepburn

Katherine Hepburn, 76, refused to see any of her recent films. She said that she was not interested in them. She said that she was not interested in them.



Katherine Hepburn

which I made more than half a century ago, I look at that young girl on the screen and say, 'My, she is so pretty and talented, but I don't have any connection with her. That girl isn't me at all. I stopped going to see my films when I began to watch what was bad about my life, my work, my body, my voice.' —Compiled by ARTHUR HIGGEE



President Augusto Pinochet speaking in Concepcion, Chile.

Pinochet Announces His Intention To Retain Power in Chile Until '97

By Shirley Christian

SANTIAGO — President Augusto Pinochet, rebuffing those who want him to give up power, has announced that he expects to remain president of Chile until 1997. This is going to continue beyond 1989, he said. "We are not going to hand over the government for the pure pleasure of it."

General Pinochet, who spoke in the Chilean city of Concepcion, said that his present term is the time in which laws and regulations are being written to complement the Constitution. The next eight years, he said, will be the time during which the new laws are applied. "This is going to continue beyond 1989," he said. "We are not going to hand over the government for the pure pleasure of it."

The 70-year-old general, who came to power in a military coup in 1973, took key ministries in the government, 300 miles (485 kilometers) to the south of Santiago, for all of the coming week. The Chilean leader travels continuously and often takes key ministers with him. While the dead from last week's

tion groups, which range from center right to far left, had hoped to use it to persuade the armed forces leadership around General Pinochet to open negotiations with civilians. The expectation that he could be persuaded by other military leaders to give up power in 1989 has also been the cornerstone of Reagan administration policy toward Chile.

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While Mr. Gelbard's trip will not specifically focus on the death of Rodrigo Rojas, an official said, U.S. concerns in the case are certain to be raised by Mr. Gelbard.

Repression by Managua Is Systematic And Widespread, Rights Group Says

By Lisa Wolfe

NEW YORK — The repression of human rights in Nicaragua is systematic and widespread, an independent human rights group said in a report Sunday.

"The report includes descriptions of mass arrests, public vilification, deportations and property confiscations. The report also says short-term detentions are used to harass political opponents, and describes prison conditions as deplorable."

The report says the government has banned strikes, collective bargaining and other union activities and has arrested and harassed hundreds of union leaders and members.

All seven directors of one of the country's main independent labor confederations, Nicaraguan Workers' Central, have been imprisoned on accusations of counter-revolutionary activity, the report says.

It also cites reports by another labor confederation that the government had arrested hundreds of its members, seized its offices and banned its leaders.

The report says more than a dozen foreign clergymen have been deported from Nicaragua without due process.

The Roman Catholic Church in Nicaragua, which has relied heavily on the press to communicate its pastoral messages, is no longer permitted to do so, according to the report.

It says the government has

U.S. Warplanes Continuing Missions Over Gulf of Sidra

By George C. Wilson

WASHINGTON — The United States has been conducting unauthorized military flight operations off Libya for the last several weeks, including fighter plane flights over the Gulf of Sidra but not beyond the "line of death" that the Libyan leader, Muammar Gadhafi, has drawn across that waterway, Pentagon officials disclosed.

So far there has been no direct military response from Libya. But the official Libyan news agency JANA said Friday that the Libyan military would conduct missile-launching exercises in the Gulf of Sidra starting Sunday. This would mark Colonel Gadhafi's first military action since the U.S. bombing raid against his country on April 15 and could be the precursor of anti-U.S. action.

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The Reagan administration announced its intention to conduct navy flight operations in the Gulf of Sidra before the April exercises commenced, in a change of policy, to similar advance notification was given to Libya or the international aviation community for navy maneuvers and flight operations in the Gulf since the April bombing.

The earlier notice "was a courtesy," said one official on Saturday. "But when somebody shows up at you and you don't owe him that courtesy."

Pakistani Leader Visits Bonn

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ATTENTION BRITISH CITIZENS LIVING ABROAD

1 BROWN (Andrew Brown, 6 Orchard Road, Middlesex EN6 2DR)

2 SMITH (John Philip Smith, 21A Highfield Road, Enfield, Middlesex EN6 2DR)

3 JONES (Alfred Jones, 11 Clifton Court, London NW1)

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U.S. Warplanes Continuing Missions Over Gulf of Sidra

By George C. Wilson

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By George F. Will

No, Washington Should Not

When U.S. Secretary of State George Shultz declares that "America has partners over there eager for U.S. help," he means the Latin American military dictatorships. He says they are "not crazy," July 29, Congress' special committee to tip and take note.

Various signs, including a surge in U.S. exports to Chile, give rise to the question: Is Washington preparing or carrying out a new intervention in Latin America? Has U.S. imperialism in Chile been bad both for Chileans and for the United States itself?

The answer lies with the administration of the late President Salvador Allende besides provoking a bloodbath that continues to this day, increased communist infiltration, and a resurgence in Latin America and elsewhere.

Why kidding a rich nation and a new society in Chile in which that "responsible" people (as Mr. Kissinger called us in 1970) would abandon its peaceful toward the center-left? Why?

Many years later, serious observers contend that the Chilean left has increased

All this is untidy, and G-R-H may indeed be a ten-thumbed way of cutting the deficit. But no one ever recommended democracy for its elegance.

Washington Post Writers Group

Many years later, serious observers consider that the Chilean left has increased

President P.W. Botha, by KAL in The Economist (London).

'I hope I can be gone before he discovers I'm here.'

By Colman McCarthy

It is true that my one-part questions often received four-part replies. So on occasion I had to lie on the sofa when

were lined with Russian, Czechoslovak, French and Japanese books on the barren rock island that is 12 miles long, 2,300 miles west of Chile and 2,100 miles east of Tahiti. Whatever anyone could want to know about what others know about Easter Island passed through his

The Washington Post

(Foreign Affairs, Spring 1960, by Anna Falcoff of the American Enterprise In-

Defense initiative was at first supposed to replace the doctrine of mutual as-

Hispanics in the United States ("Immigrants Must Become Americans," July 2).

Freiburg, West Germany.

quattro. First it was courage. Now it is experience.



**Vorsprung
durch Technik**

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1. *Journal of the American Medical Association*, 1990; 263: 1025-1028.



We designed the 9800 to grow the way your business grows.

Most businesses don't grow by leaps and bounds.

They grow gradually.

But if you need to add to your mainframe gradually, to keep up with your business, you're in trouble.

You may have to spend a lot more money than you want, buying a lot more computer than you need.

Well, NCR is changing that.

If you have an NCR 9800, you can expand your system in smaller slices than with any conventional mainframe.

And you can custom-fit the 9800 with job-specific modules.

Which means, it doesn't matter if you do more on-line transaction processing, or more batch processing, the 9800 does both more efficiently than other systems.

And that can save huge amounts of money.

So, if you're a growing company, the 9800 can help keep you growing.

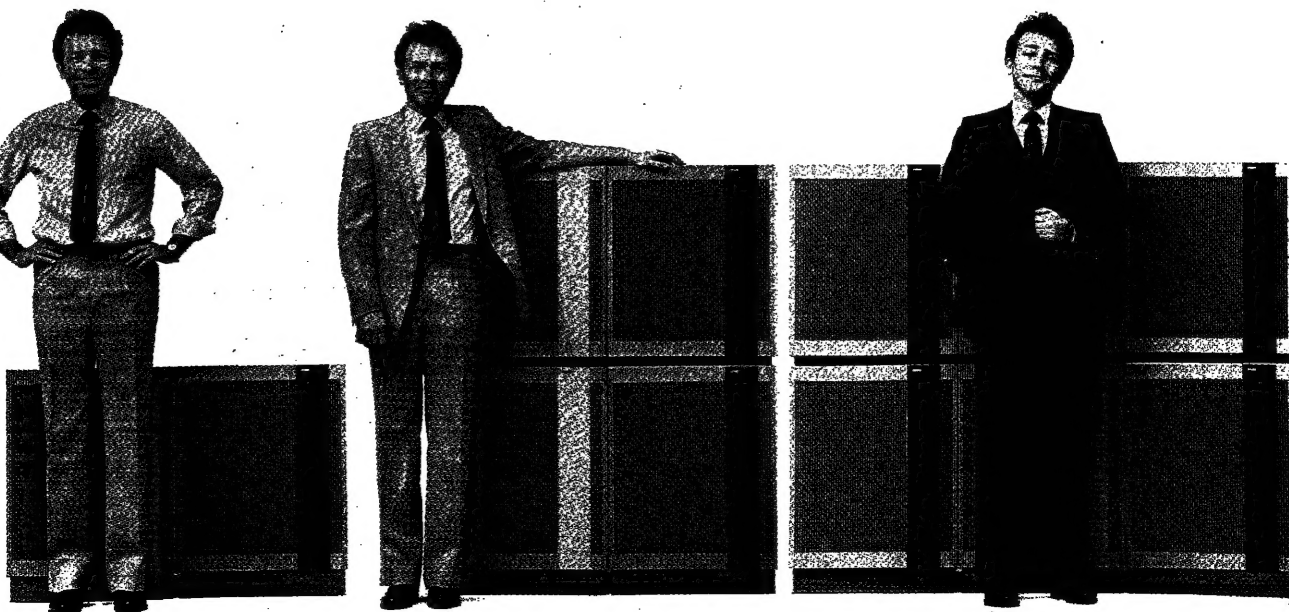
Why are we telling you all this?

We want to keep growing, too.

For more information, contact your local NCR representative.

NCR 9800. The evolution of the mainframe.

NCR



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Prices may vary according to market conditions and other factors.*

Ass't	Security	Size	Comp	Issue	Pr.	Mag	Pr.	Yield
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[illegible][illegible]

3	75	Penn Petroleum Assoc	17/5	15	Nov	99	15.5	12.5
3	76	Perf Shells Gas Pumps	17/5	18	Oct	99/15	16.5	13.5
3	77	Pharmaceutical Finance	17/5	18	Oct	100/15	16.5	13.5
3	78	Ohio Edison Finance	17/5	19	Oct	100/20	15.5	14.5
3	79	Generator	17/5	19	Oct	100	15.5	14.5
3	80	Washington City	17	14	Oct	100/20	15.5	14.5
3	103	Tennessee Inst	17	19	Nov	100/20	15.5	14.5
3	104	Wholesale Petroleum	17	19	Nov	100/20	15.5	14.5
015	81	Hudson Bay	18	17	Nov	100	15.5	14.5
015	82	Quebec Province	18	17	Oct	100/20	15.5	14.5
015	83	National Farmers	17/6	17	Nov	100/15	14.5	17.5
015	84	Comcast Pacific	17/6	17	Nov	100	13.5	17.5
015	85	Federal Business Dev Bk	17/6	16	Oct	100	13.5	17.5

AUSTRALIA		HUNGARY		ICELAND		IRELAND		ITALY		JAPAN		NETHERLANDS		NEW ZEALAND		NORWAY	
City	Rate	City	Rate	City	Rate	City	Rate	City	Rate	City	Rate	City	Rate	City	Rate	City	Rate
Adelaide	100.00	Budapest	100.00	Reykjavik	100.00	Dublin	100.00	Rome	100.00	Tokyo	100.00	Amsterdam	100.00	Auckland	100.00	Oslo	100.00
Brisbane	100.00	Debrecen	100.00	St. John's	100.00	Cork	100.00	Venice	100.00	Osaka	100.00	Brussels	100.00	Dunedin	100.00	Trondheim	100.00
Canberra	100.00	Eger	100.00	Longwood	100.00	Limerick	100.00	Genoa	100.00	Kobe	100.00	Rotterdam	100.00	Hamilton	100.00	Bergen	100.00
Perth	100.00	Győr	100.00	Malinbeg	100.00	Galway	100.00	Leghorn	100.00	Yokohama	100.00	The Hague	100.00	Wellington	100.00	Stavanger	100.00
Sydney	100.00	Komló	100.00	Portlaoine	100.00	Sligo	100.00	Milan	100.00	Nagasaki	100.00	Utrecht	100.00	Christchurch	100.00	Lillehammer	100.00
Melbourne	100.00	Miskolc	100.00	Wexford	100.00	Wick	100.00	Naples	100.00	Sapporo	100.00	Antwerp	100.00	Invercargill	100.00	Ålesund	100.00
Wollongong	100.00	Nagykanizsa	100.00	Youghal	100.00	Woolfardham	100.00	Palermo	100.00	Manila	100.00	London	100.00	Timaru	100.00	Bodo	100.00
Geelong	100.00	Pécs	100.00	Enniscorthy	100.00	Wooler	100.00	Catania	100.00	Cebu	100.00	Stockholm	100.00	Lyttelton	100.00	Longyearbyen	100.00
Traralgon	100.00	Szeged	100.00	Woolgar	100.00	Wooler	100.00	Syracuse	100.00	Iloilo	100.00	Copenhagen	100.00	Greymouth	100.00	Longyearbyen	100.00
Ballarat	100.00	Tatabánya	100.00	Woolgar	100.00	Wooler	100.00	Messina	100.00	Yokohama	100.00	Oslo	100.00	Christchurch	100.00	Longyearbyen	100.00
Shepparton	100.00	Veszprém	100.00	Woolgar	100.00	Wooler	100.00	Trapani	100.00	Yokohama	100.00	Amsterdam	100.00	Wellington	100.00	Longyearbyen	100.00
Warrnambool	100.00	Zalaegerszeg	100.00	Woolgar	100.00	Wooler	100.00	Palermo	100.00	Yokohama	100.00	Brussels	100.00	Hamilton	100.00	Longyearbyen	100.00
Warrnambool	100.00	Zalaegerszeg	100.00	Woolgar	100.00	Wooler	100.00	Palermo	100.00	Yokohama	100.00	Rotterdam	100.00	Wellington	100.00	Longyearbyen	100.00
Warrnambool	100.00	Zalaegerszeg	100.00	Woolgar	100.00	Wooler	100.00	Palermo	100.00	Yokohama	100.00	The Hague	100.00	Wellington	100.00	Longyearbyen	100.00
Warrnambool	100.00	Zalaegerszeg	100.00	Woolgar	100.00	Wooler	100.00	Palermo	100.00	Yokohama	100.00	Utrecht	100.00	Wellington	100.00	Longyearbyen	100.00
Warrnambool	100.00	Zalaegerszeg	100.00	Woolgar	100.00	Wooler	100.00	Palermo	100.00	Yokohama	100.00	Antwerp	100.00	Wellington	100.00	Longyearbyen	100.00
Warrnambool	100.00	Zalaegerszeg	100.00	Woolgar	100.00	Wooler	100.00	Palermo	100.00	Yokohama	100.00	London	100.00	Wellington	100.00	Longyearbyen	100.00
Warrnambool	100.00	Zalaegerszeg	100.00	Woolgar	100.00	Wooler	100.00	Palermo	100.00	Yokohama	100.00	Stockholm	100.00	Wellington	100.00	Longyearbyen	100.00
Warrnambool	100.00	Zalaegerszeg	100.00	Woolgar	100.00	Wooler	100.00	Palermo	100.00	Yokohama	100.00	Copenhagen	100.00	Wellington	100.00	Longyearbyen	100.00
Warrnambool	100.00	Zalaegerszeg	100.00	Woolgar	100.00	Wooler	100.00	Palermo	100.00	Yokohama	100.00	Bergen	100.00	Wellington	100.00		

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Marketmakers in Deutschmark Bonds WestLB
Westdeutsche Landesbank

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OTC consolidated trading for week ended Friday.

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July 10									
Amd. Security		% Adm.	Price	Com. Period	Com. Price	Div. Yield	Amd. Security		% Adm.
EUROPE									
Aluminum Corp. 1231	24 1/2	100	100	100	100	100	Aluminum Corp. 1231	24 1/2	100
Anglo-Siam 1231	24 1/2	100	100	100	100	100	Anglo-Siam 1231	24 1/2	100
Bank of India 1231	24 1/2	100	100	100	100	100	Bank of India 1231	24 1/2	100
Bank of London 1231	24 1/2	100	100	100	100	100	Bank of London 1231	24 1/2	100
Bank of Mexico 1231	24 1/2	100	100	100	100	100	Bank of Mexico 1231	24 1/2	100
Bank of New York 1231	24 1/2	100	100	100	100	100	Bank of New York 1231	24 1/2	100
Bank of Paris 1231	24 1/2	100	100	100	100	100	Bank of Paris 1231	24 1/2	100
Bank of Spain 1231	24 1/2	100	100	100	100	100	Bank of Spain 1231	24 1/2	100
Bank of Siam 1231	24 1/2	100	100	100	100	100	Bank of Siam 1231	24 1/2	100
Bank of South Africa 1231	24 1/2	100	100	100	100	100	Bank of South Africa 1231	24 1/2	100
Bank of the East 1231	24 1/2	100	100	100	100	100	Bank of the East 1231	24 1/2	100
Bank of the Middle East 1231	24 1/2	100	100	100	100	100	Bank of the Middle East 1231	24 1/2	100
Bank of the Pacific 1231	24 1/2	100	100	100	100	100	Bank of the Pacific 1231	24 1/2	100
Bank of the South Sea 1231	24 1/2	100	100	100	100	100	Bank of the South Sea 1231	24 1/2	100
Bank of the Straits 1231	24 1/2	100	100	100	100	100	Bank of the Straits 1231	24 1/2	100
Bank of the East India 1231	24 1/2	100	100	100	100	100	Bank of the East India 1231	24 1/2	100
Bank of the East of Africa 1231	24 1/2	100	100	100	100	100	Bank of the East of Africa 1231	24 1/2	100
Bank of the East of Asia 1231	24 1/2	100	100	100	100	100	Bank of the East of Asia 1231	24 1/2	100
Bank of the East of Europe 1231	24 1/2	100	100	100	100	100	Bank of the East of Europe 1231	24 1/2	100
Bank of the East of North America 1231	24 1/2	100	100	100	100	100	Bank of the East of North America 1231	24 1/2	100
Bank of the East of South America 1231	24 1/2	100	100	100	100	100	Bank of the East of South America 1231	24 1/2	100
Bank of the East of Australia 1231	24 1/2	100	100	100	100	100	Bank of the East of Australia 1231	24 1/2	100
Bank of the East of New Zealand 1231	24 1/2	100	100	100	100	100	Bank of the East of New Zealand 1231	24 1/2	100
Bank of the East of the Pacific 1231	24 1/2	100	100	100	100	100	Bank of the East of the Pacific 1231	24 1/2	100
Bank of the East of the Atlantic 1231	24 1/2	100	100	100	100	100	Bank of the East of the Atlantic 1231	24 1/2	100
Bank of the East of the Indian Ocean 1231	24 1/2	100	100	100	100	100	Bank of the East of the Indian Ocean 1231	24 1/2	100
Bank of the East of the Arctic Ocean 1231	24 1/2	100	100	100	100	100	Bank of the East of the Arctic Ocean 1231	24 1/2	100
Bank of the East of the Antarctic Ocean 1231	24 1/2	100	100	100	100	100	Bank of the East of the Antarctic Ocean 1231	24 1/2	100
Bank of the East of the Southern Ocean 1231	24 1/2	100	100	100	100	100	Bank of the East of the Southern Ocean 1231	24 1/2	100
Bank of the East of the Northern Ocean 1231	24 1/2	100	100	100	100	100	Bank of the East of the Northern Ocean 1231	24 1/2	100
Bank of the East of the Western Ocean 1231	24 1/2	100	100	100	100	100	Bank of the East of the Western Ocean 1231	24 1/2	100
Bank of the East of the Eastern Ocean 1231	24 1/2	100	100	100	100	100	Bank of the East of the Eastern Ocean 1231	24 1/2	100
Bank of the East of the Central Ocean 1231	24 1/2	100	100	100	100	100	Bank of the East of the Central Ocean 1231	24 1/2	100
Bank of the East of the Southern Ocean 1231	24 1/2	100	100	100	100	100	Bank of the East of the Southern Ocean 1231	24 1/2	100
Bank of the East of the Northern Ocean 1231	24 1/2	100	1						

HIGHEST CURRENT YIELDS
On convertibles having a conversion premium
of less than 10%.

160	South City 44-200	179	74	Aug	1999	28	Jan	7	Jul	1997	20	Mar	24	Nov	1994	1	Nov	1994	1	Nov	1994
161	Florida City 44-200	180	75	Aug	1999	29	Jan	8	Jul	1997	21	Mar	25	Nov	1994	2	Nov	1994	2	Nov	1994
162	Florida City 44-200	181	76	Aug	1999	30	Jan	9	Jul	1997	22	Mar	26	Nov	1994	3	Nov	1994	3	Nov	1994
163	Florida City 44-200	182	77	Aug	1999	31	Jan	10	Jul	1997	23	Mar	27	Nov	1994	4	Nov	1994	4	Nov	1994
164	Florida City 44-200	183	78	Aug	1999	32	Jan	11	Jul	1997	24	Mar	28	Nov	1994	5	Nov	1994	5	Nov	1994
165	Florida City 44-200	184	79	Aug	1999	33	Jan	12	Jul	1997	25	Mar	29	Nov	1994	6	Nov	1994	6	Nov	1994
166	Florida City 44-200	185	80	Aug	1999	34	Jan	13	Jul	1997	26	Mar	30	Nov	1994	7	Nov	1994	7	Nov	1994
167	Florida City 44-200	186	81	Aug	1999	35	Jan	14	Jul	1997	27	Mar	31	Nov	1994	8	Nov	1994	8	Nov	1994
168	Florida City 44-200	187	82	Aug	1999	36	Jan	15	Jul	1997	28	Mar	1	Dec	1994	9	Nov	1994	9	Nov	1994
169	Florida City 44-200	188	83	Aug	1999	37	Jan	16	Jul	1997	29	Mar	2	Dec	1994	10	Nov	1994	10	Nov	1994
170	Florida City 44-200	189	84	Aug	1999	38	Jan	17	Jul	1997	30	Mar	3	Dec	1994	11	Nov	1994	11	Nov	1994
171	Florida City 44-200	190	85	Aug	1999	39	Jan	18	Jul	1997	31	Mar	4	Dec	1994	12	Nov	1994	12	Nov	1994
172	Florida City 44-200	191	86	Aug	1999	40	Jan	19	Jul	1997	1	Apr	5	Dec	1994	13	Nov	1994	13	Nov	1994
173	Florida City 44-200	192	87	Aug	1999	41	Jan	20	Jul	1997	2	Apr	6	Dec	1994	14	Nov	1994	14	Nov	1994
174	Florida City 44-200	193	88	Aug	1999	42	Jan	21	Jul	1997	3	Apr	7	Dec	1994	15	Nov	1994	15	Nov	1994
175	Florida City 44-200	194	89	Aug	1999	43	Jan	22	Jul	1997	4	Apr	8	Dec	1994	16	Nov	1994	16	Nov	1994
176	Florida City 44-200	195	90	Aug	1999	44	Jan	23	Jul	1997	5	Apr	9	Dec	1994	17	Nov	1994	17	Nov	1994
177	Florida City 44-200	196	91	Aug	1999	45	Jan	24	Jul	1997	6	Apr	10	Dec	1994	18	Nov	1994	18	Nov	1994
178	Florida City 44-200	197	92	Aug	1999	46	Jan	25	Jul	1997	7	Apr	11	Dec	1994	19	Nov	1994	19	Nov	1994
179	Florida City 44-200	198	93	Aug	1999	47	Jan	26	Jul	1997	8	Apr	12	Dec	1994	20	Nov	1994	20	Nov	1994
180	Florida City 44-200	199	94	Aug	1999	48	Jan	27	Jul	1997	9	Apr	13	Dec	1994	21	Nov	1994	21	Nov	1994
181	Florida City 44-200	200																			

CS	Canadian Dollar	SDR	Special Drawing Rights
ECU	European Currency Unit	Yn	Yen
EUA	European Unit of Account	LFR	Luxembourg Franc
£	Pound Sterling	SRF	Swiss Franc
DM	Deutsche Mark	FF	French Franc
RMK	West German Kreuzer • DM		

Herald-Tribune
INTERNATIONAL
Published With The New York Herald Tribune
March 1948

Soviet Union Intensifies Its Campaign Against NATO Atlantic Program

Threat to U.S. Stability on the West Coast

JFK is a KKK

OTC Consolidated trading for week ended Friday

(Continued on Page 17)

Figures as of close of trading Friday

[illegible]

Figures as of close of trading Friday

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PERSONAL INVESTING

FOCUS

Japanese Stocks: The Value Debate

WHEN comparing stocks, few gauges are more frequently used by pros than the trusty price-earnings ratio, the price of an issue divided by per-share profit. Many money managers shun P-E stocks on the view that their prices already reflect much of the upside potential and are liable to disappointing news. In investment, high P-E shares are more likely to be "overvalued" than low P-E shares.

It is hardly surprising, then, that global investors' fiscal wisdom about Japan, where P-Es have been on the high side compared with others, has intensified in recent months. Interest rate and a wave of buying by corporations and individuals with cash has pushed stock prices up nearly seven times this year even as corporate profits are falling. The result: the P-E for the Tokyo market alone has risen from 15 to 25 by some estimates, nearly that of other major world markets.

Is market's ability to sustain such lofty P-Es by national standards when the Japanese economy in just quarter suffered its first contraction since 1975? Some analysts and reviews an old question of how the usual measure of stock values have any ring in Japan. The Tokyo market "has gotten a clarity which cannot be justified by what the omies suggest," contends Elyck Van Otterloo of Ham, Mayo, Van Otterloo & Co., a Boston money management firm, in a typical comment. "Some day, there will be a reason to withdraw in droves that market."

IN BROADER terms, it points up the difficulties for international investors in comparing world markets, given the vast differences in accounting financial reporting rules among major countries. Paul Aron, vice chairman of Daiwa Securities Inc., a subsidiary of the big Japanese brokerage, noted these differences in taking issue with the P-E figures published by Morgan Stanley and International, whose monthly statistical report "world markets" is widely used by global money gers.

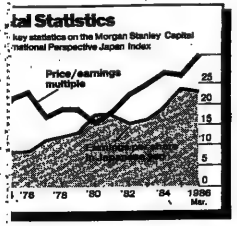
In his view, U.S. and Japanese P-Es are not that far from a common standard of accounting is fact. Japanese accounting standards result in vastly inflated earnings compared with U.S. standards, which would translate into lower P-Es. Mr. Aron has compiled a long list of differences between Japanese and American accounting standards, assessing for its impact on reported profits. For example, he says Japanese companies are allowed to set up a reserve of special reserve funds in anticipation of developments such as bad debts, retirement pay and pay bonuses. These reserves are "essentially not earnings," he says.

Among other factors contributing to the understatement of Japanese earnings are differing methods of amortizing for the amortization of subsidiaries and accelerated depreciation, Mr. Aron says. In an April report, he came to the conclusion that the P-E of the Japanese at, based on Feb. 28 figures, was only about 13.5 to 13.7 for the U.S. market.

His followers of the Tokyo market agree that there are understated, but few go as far as Mr. Aron. While Timothy Schill, who follows Tokyo stocks for Standard & Poor's, agrees with Mr. Aron's work as "impressive and valid," he feels that the Daiwa analyst is being somewhat aggressive in his assumptions.

Going further, Laura Luckey-Malone, who manages the Japan Fund, a closed-end fund listed on the New York Stock Exchange, contends that the whole idea of P-E is "a foreign concept" to Japanese investors and has only limited use in evaluating the

Continued On Page 16



UPDATE

The Indecisive Dollar

FIGURING out where the dollar is heading has never been easy and it's getting a lot tougher. Some forecasters had worried that if the U.S. Federal Reserve cut the discount rate in the absence of reductions by the West German Bundesbank Bank of Japan, the dollar would drive. But last week's half-point cut to 6 percent, in lowest level since the start of 1978, hardly stirred the currency.

William Francis, director of currency forecasting for the International Economics in Philadelphia, traces the dollar's indecision to confusing signals by economic actors. The outlook for the dollar improved at the end of May when the estimate for first-quarter economic growth was revised upward to an annual rate of 3.2 percent. Later this was changed to 2.9 percent. Early trade figures for April indicated that the dollar was narrowing the U.S. deficit, but this led to be contradicted by the May results. "It's still to sort out what the message is," Mr. Francis

even the lack of direction and the sluggishness of maritime markets. Mr. Francis sees the dollar rating over the next four weeks between 2.16 Deutsche marks and 2.35 marks.

John Meehan

Valid Logic: Case Study of a New Venture



The Company

In early 1981, Jared Anderson, president of a minicomputer firm, recruits three scientists from Lawrence Livermore National Laboratory in California and a Hewlett-Packard mechanical engineer to form Valid Logic Systems. They make conceptual breakthroughs that lay the foundation for the computer-aided design industry. In April, venture capital firms provide \$2.8 million of financing and receive about 45 percent of the company.

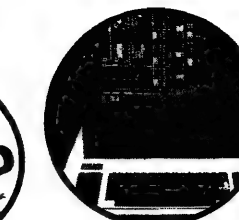


The Product

Valid's first products are introduced in 1982 and are well-received. Merrill Lynch Venture joins in a second round of financing which raises \$7.2 million. Adjusted for a later split, Merrill pays \$2.25 a share for 7.6 percent stake.

Going Public

In October 1983, Valid Logic goes public at \$12.50 a share. It uses the \$13 million in proceeds to expand manufacturing, sales and research and development efforts. The company has its first profitable year, posting earnings of \$1.8 million.



Competition

Valid is hit by competition in 1985 from such firms as Daisy Systems and earnings slip. Merrill sheds about 50 percent of its holdings at 68 a share, more than triple the price it paid for the original shares.

Shares Slump

A general slump in the high-technology industry and continued competition take their toll. Valid's shares slip to about \$8.

Venture Capital: A Few Funds for the Adventurous

By Leslie Whitaker

NEW YORK — Few types of investors can match the glances of the venture capitalists, the high rollers who bet on a business often when it is only a gleam in the eye of an entrepreneur. But since the end of the technology boom in 1983, venture capitalists have had difficulty matching the spectacular returns for which they are famous, and money has flowed into their private partnerships at a slower pace.

Despite the slowdown, some big investment firms are rolling out public partnerships aimed at individuals whose pockets are not as deep as those of the traditional venture capital partner. Sponsors of such public funds say they are allowing greater access to an investment opportunity that traditionally has been limited to institutional investors and wealthy individuals. Public partnerships require as little as \$5,000 from investors, a far cry from the \$500,000 to \$1 million typically required by private funds.

The big selling point is the potential for big returns.

Although the public partnerships are relatively new and have no meaningful track record, the private funds that dominate the industry have generated returns equivalent to 25 percent a year when compounded annually.

But some critics charge that sponsors are enticing individuals to play a game that they are ill-equipped to win. Many experienced venture capitalists doubt that ordinary investors can cope with the high risk and have the patience that this investment requires. The emergence of public funds follows 1980 changes in U.S. securities regulations that previously limited venture capital funds to 35 investors. Merrill Lynch offered the first public venture fund, Venture Partners I, in 1982, raising \$60 million to invest in high-technology startups.

Other investment firms have followed its lead, but there still are only a handful of public funds. Merrill Lynch is marketing a second fund, while PaineWebber just closed its first offering. Prudential-Bache Securities is on its third fund, and California-based Technology Funding is offering two other partnerships in addition to the three that it already manages. The funds generally fall into two groups: those that

invest in privately held companies and others that limit investment to research and development projects.

Because partnerships may last as long as 10 years and are structured to pay the bulk of any returns toward the end of the partnership, when successful investments go public, they require investors to meet certain net worth requirements. For example, Merrill Lynch limits its partnerships to individuals with a minimum net worth of \$100,000, while Technology Funding is open to investors worth \$40,000, provided they have an annual income of at least \$40,000.

Like private funds, the public partnerships spread their risks over several dozen investments. The first few years are spent raising capital. The general partners can then spend several years wading through thousands of business plans to select opportunities. After finally choosing several companies or projects, it is then up to the general partner to nurture them with capital infusions and advice.

Unfortunately, only a very few start-ups will be blessed with success. Even private partnerships with impressive returns make money from only a third of

Continued On Page 14

Before Venturing

Make sure the fund has enough money. History has shown that funds with at least \$50 million to \$100 million are best equipped to spread the risk among many ventures.

General partners should be experienced in venture capital, not just management. Many institutional investors shy away from funds whose managers do not have a proven track record with start-ups.

Be wary of funds that spread their expertise too thin. On average, a fund should have at least one general partner to oversee every 10 to 15 companies.

Given the lengthy commitment and high risk associated with venture capital, experts suggest individuals limit this type of investment to no more than 5 to 10 percent of their portfolios.

SOMETHING DIFFERENT

The Allure of Poster Art: History and Practicality

By Lynne Curry

IN 1893, Henri de Toulouse-Lautrec was commissioned to do a poster advertising a concert at a Paris cabaret, Divan Japonais. Still struggling for wider recognition for his impressionistic work and eager to earn some extra money, he readily agreed. Indeed, many artists of that era supplemented their meager income by painting posters to advertise events or products.

A century later—the results of Toulouse-Lautrec's part-time occupation generated excitement in the art world. Last year, his poster fetched \$27,500 at a Chicago auction, just as similar works by other major artists command high prices.

Over the past 10 years, posters have come to represent a legitimate expression of art. And with the number of collectors growing, prices in the three major markets—New York, Paris and London—have soared.

"A poster that would have sold for \$10,000 (\$15,300) to \$12,000 in 1983 might

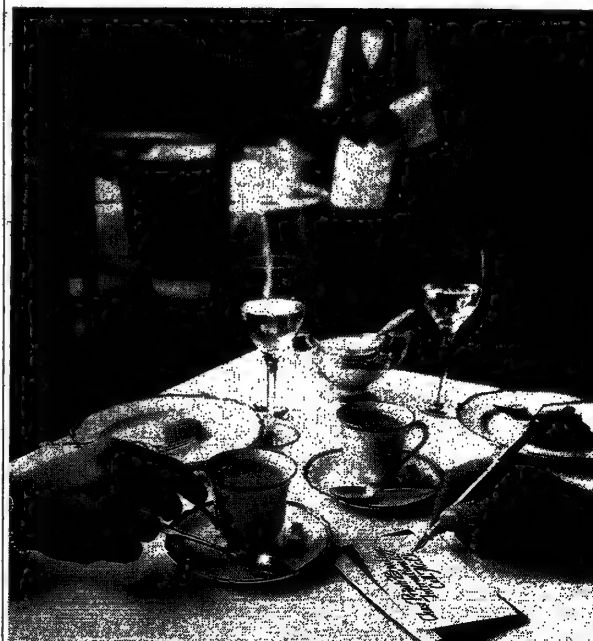
well expect to fetch \$30,000 to \$40,000 now," says John Horwich, an associate director at Christie's in London. He adds, however, that "it's a new collecting field which can possibly serve someone well as a long-term investment, providing he can spot something that might be attractive at a later date."

Indeed, posters are a less expensive alternative to the better known works of famous artists. "They are cheaper than paintings," notes Francis Frost, an expert on posters for Phillips Auctioneers in New York. Moreover, he says, collectors also like posters because they have an historical appeal and tend to be big and graphically striking. "People like buying something that covers a lot of wall space," he says.

Elaborate posters first became common sight in Paris in the late 19th century as theater and cabaret owners, merchants

Continued On Page 14

A rare lithographic poster by Jean Cocteau with Nijinsky in "Le Spectre de la Rose."



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Biotechnology: Tagging Bacteria

VENTURE capitalist David Silver has always kept a close eye on Los Alamos National Laboratories in California, looking for technology that might have commercial applications. And in 1983, his watchfulness paid off.

At the time, scientists at the lab were developing a diagnostic technique called "multiple light scattering," a method to identify bacteria by the way it reflects polarized light. If perfected, the technique would enable physicians to identify organisms in less than 20 minutes and allow immediate treatment with the appropriate antibiotic.

It was the kind of biotechnological breakthrough that would undoubtedly have widespread application, so Mr. Silver got together with a partner and in 1983 formed Mesa Diagnostics in Albuquerque, New Mexico. The company then purchased exclusive rights for the commercial development of the new technology from the government.

The partners poured \$400,000 of their own money into the company during the first year and a half. But when they realized that they needed a heavy infusion of capital to successfully develop and market the technology, they decided it was time to attract other venture capitalists.

The two Frutkin partnerships, public funds sponsored by Prudential-Bache, contributed a total of \$6.3 million to the company in exchange for rights to the technology. When the diagnostic process is perfected, the funds will license the technology back to Mesa for marketing. The founders also are trying to raise another \$3 million to \$5 million for product testing at university hospitals this autumn.



A hospital in Houston, Mississippi, managed by National Healthcare.

Specialty Stores: 'Staples' Story

FOR Thomas Stenberg the future is a lot clearer than it was last autumn when he teamed up with Leo Kahn to form Staples, a company that sells discount office supplies. The former supermarket executive opened their first "superstore" in Boston last May with \$4.4 million in seed money from venture capitalists in return for about half the company, and they are expecting a second round of financing for expansion.

Mr. Stenberg plans to open three stores by the end

of the year and a dozen more by then end of 1987. He hopes to take the company public in 1988 or 1989. "In every entrepreneur's dream to become a large public company," he says, "We've no different."

The success of Staples best explains why venture capitalists are eager to invest in the area of specialty retailing. Stores that target specific, upscale consumer groups are better positioned to withstand changing economic climates and are well received in the stock market these days.

Mr. Stenberg and Mr. Kahn considered a variety of merchandise categories but chose office supplies because it was "a fast-growing area with a high price umbrella." Staples caters to small white-collar offices, offering customers 4,000 items ranging from computer software to paper clips.

Health Care: Rural Success

STEPHEN Phelps, a former hospital administrator, turned his attention to the shortage of medical care in remote areas into a multimillion dollar company five years ago when he and two partners founded National Healthcare Inc.

Based in Dothan, Alabama, the company specializes in health care services for rural communities, one of a growing number of private health care firms which some observers believe can operate more efficiently than public or nonprofit facilities, a big selling point in the current climate of spiraling costs.

"Nobody was addressing the problems of rural health care," says Mr. Phelps, explaining the rationale behind his company. "We saw the opportunity and took advantage of it."

At first, Mr. Phelps and his partners relied mostly on friends and neighbors who turned to them for medical care in 1984 for \$3.5 million to finance the company's expansion. Venture capitalists making their share of the company with a second round in 1985 raised \$5 million. This amount, Mr. Phelps says, went straight into the founders' pockets.

Today, National Healthcare operates 36 facilities, including acute-care hospitals, nursing homes, and general medical services, home health-care agencies and retirement housing. In the last fiscal year, the company earned \$4.5 million on revenues of \$1 million. Estimated revenues for the next fiscal year are \$2.5 million.

The company went public last November at a share price of \$46 million from selling stock in debentures. A second public offering in April raised another \$26 million.

A Few Funds for the Adventurous

Continued From Page 13

living dead." In this case, Hambro will try to capitalize on Florida's tax losses by merging it with a profitable venture.

Peter Santomasi, who helps screen opportunities for Hambro's International Venture Fund, a private partnership for institutional investors, acknowledges that the potential for any new company is difficult to measure and that venture capital funds must be prepared to deal with misfires.

He recalls how in 1982, Hambro invested in Florida Data Corp., a computer printer manufacturer, only to see it fail victim to Japanese competition. He now classifies the company as "among the

living dead." In this case, Hambro will try to capitalize on Florida's tax losses by merging it with a profitable venture.

In return for that kind of expertise, general partners charge a management fee that ranges from 2 percent to 2.5 percent of the profits when the partnership expires.

Aside from royalty payments and tax write-offs available with funds that specialize in research and development, the payoff for investors, or limited partners, does not come until the companies that fund has invested in go public.

Going public is not as easy as it used to be, however. The diminished appetite for initial public offerings since a glut of high-technology companies swamped the market in 1983 has forced many private partnerships to carry some investments for longer periods than originally anticipated.

Not surprisingly, a growing number of funds are diversifying their portfolios. Nowadays, managers are betting on start-ups involved in biotechnology, health care, telecommunications and specialty retailing.

Many firms also are choosing to finance less risky investments, such as leveraged buyouts, or are limiting their involvement to second-round, or mezzanine, financing when the prospects for a company are clearer. Last year 77 percent of the money distributed by venture capitalists was classified as "follow-on" financing, up from 66 percent in 1983, according to Venture Economics, a consulting firm based in Wellesley, Massachusetts.

In its second public fund, Pro-Tech Research & Development Partnership II, Prudential-Bache invested most of its capital in the

Many venture capitalists doubt ordinary investors can cope with the high risk.

projects of established companies. For investors in Prudential-Bache's R&D Partners, managers placed a quarter of the funds in zero-coupon bonds, which guarantees that 70 percent of the original investment will be returned even if all of the projects fail. "I'm not sure that straight venture investing is a game that individual investors should play," says Jack Kohn, president of the venture capital division of Prudential-Bache Capital Inc.

These changes fall far short of resolving all the uncertainties. Proposed tax revisions may hinder funds that specialize in research and development, although Prudential-Bache says that 75 percent of the returns generated by past partnerships were earned from royalties, not tax benefits.

Moreover, the track record of venture capital is far from sterling. A number of venture firms have closed doors, many more have logged unimpressive returns. Venture capital firms attracted \$3.3 billion in new investments last year, down from 1983's peak of \$4.5 billion when the marketplace was enlivened with high-technology companies, but still almost double the average raised in the years before.

"A lot of people are getting sucked in by the hype," says Arthur Marcus, a partner of New En-

terprise Associates, a Baltimore-based venture capital firm. Mr. Marcus worries that unseasoned investors will not wade into the venture capital pool to part with their money for decades and may therefore be abused and give venture capital bad name. "Indeed, most people say that they will try to find a buyer if a limited partner is abused and give venture capital a bad name, but there is no obligation to do so and no organized second market."

Critics also are concerned about the high first-round costs associated with the funds. In addition to management fees, investors also have to pay sales commissions a percentage of the deal. In the case of Prudential-Bache's Prutech II, they are 8.5-percent sales commission and a 3-percent fee for evaluation and selecting projects.

Given the high expenses, financial advisers suggest that individuals wait until there are no funds to choose from and fees become more competitive. But this could mean a very big wait. Many venture capitalists have been reluctant to offer paid partnerships because of extensive reporting requirements and the likelihood of attracting unsophisticated investors. Says Jane L. Harris, editor of Venture Economics' Venture Capital Journal, "The thing they want to do is go public."



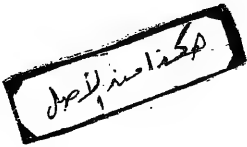
Fritz Allen and Rod Hilton, Mesa vice presidents.

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SOMETHING DIFFERENT

The Bold Graphics of Poster Art

Continued From Page 13

and tradesmen sought a more effective method of advertising their wares and establishment. They turned to artists to create striking lithographs that were painstakingly reproduced in limited numbers.

Most experts trace the art of making posters to Jules Chéret, a Parisian artist who worked in the 1860s. He perfected the art of color or in lithography by the 1880s and his technique heralded what later was called "the golden age of the poster," which lasted until the turn of the century.

Over the years, posters have been used to depict all kinds of subjects including railways, ships, cars, films, circuses, and cigarettes. But by far the most popular fall into categories that illustrate two distinct styles: Art Nouveau, dating from 1880 to 1920, and Art Deco, from 1920 to World War II.

The most valuable posters are those by famous artists. Works by the Austrian painter Oscar Kokoschka are in demand. Pierre Bonnard, the French painter, also organized for his use of color, also created posters in the 1890s, his most famous, "Fracas-Champagne" depicting a young woman surrounded by bubbly foam billowing over from her champagne glass.

Posters by Alphonse Mucha, a Czech painter who so epitomized the Art Nouveau style, also are sought after. Mucha was discovered virtually overnight in the late 1890s when he began doing posters of the famous French actress Sarah Bernhardt.

The prices of all posters are determined by three basic criteria: condition, artist, and subject matter. Like any collectible, condition is the most important. Experts say a torn, faded, or folded poster usually is not worth buying. Rarity is another factor. Some posters, such as mass produced as technicians de-

veloped mechanical shortcuts in lithography. Potential investors also are advised to be on the lookout for fakes. Many early posters were

huge, often printed in sections that were then assembled on a linen canvas backing. By contrast, modern posters are printed in single pieces.



Toulouse-Lautrec's lithograph for Divan Japonais.

Japan Fund Shares

A reference in the April 14 Personal Investing section to the share price of the Japan Fund, a closed-end fund traded on the New York Stock Exchange, should have noted that there have been recent changes in shares. According to Scudder, Stevens & Clark, which manages the fund, \$1 invested at the fund's inception in 1962 would have been worth \$44 at the end of March.

PROFILE

Al Frank: It Pays to Be a Lover, Not a Fighter

By Edward Rohrbach

Santa Monica, California



Al Frank

AL FRANK doesn't buy the old Wall Street adage against falling in love with your stocks. "But it has to be true love," intones Mr. Frank, a tall, 275-pounder who accentuates his bulk by wearing loud shirts.

"In true love, you give everything without thinking of manipulation or control," he says. "Patience and understanding drive out fear and greed. People who really love the stock market love them back."

There is little doubt that Mr. Frank's affair with the market has been a many-splendored thing. The Prudent Speculator, the newsletter he edits here five blocks from the beach, has been the top performer over the last six years among market advisory letters, more than doubling the roiling advance of Standard & Poor's 500-stock index and far outdistancing its nearest competitor. That record is especially impressive in view of the overall record of investment advisory letters, two thirds of which have lagged the general market this decade.

But his ardor for the stockmarket does not blind Mr. Frank to its treacherous ways. He uses the word "speculator" for his publication to emphasize the point that "all so-called investing in stocks and bonds is speculating" because people are trying to "enhance

present capital through anticipation of future events." It is euphemistic, if not starry-eyed, he says, to call this investing.

In fact, his method leaves little room for sentiment. Using a computer to track about 600 companies, he focuses on the fundamental relationships revealed by value-oriented investors. Central to his approach are three-year projections for such data as price-earnings ratios and return on equity to gauge whether a stock is undervalued.

"Then either of two things can happen to qualify a stock as a recommendation," he explains. "The price can go down to where it's selling for half valuation, or the value can rise to twice the stock's current price. When the lines cross, it's a buy."

Picks from the Prudent Speculator

ISSUE	BUSINESS	STOCK PRICE
Humana	Hospital management	\$25.75
Financial Corp. of America	Savings and loan	\$8.75
Golden West Financial	Savings and loan	\$41.25
Far West Financial	Savings and loan	\$15.50
Gibraltar Financial	Savings and loan	\$12.50
Southmark	Real estate services	\$9.75
Chrysler	Automaker	\$35.75

"All so-called investing in stocks and bonds is speculating."

includes running a print shop and working on Vegas shift, says he has learned that "very few think clearly or logically," with much of the wisdom about Wall Street being nothing but half-truths.

Take the old chestnut that "nobody ever broke in the stock market taking a profit," says the "counter-example" is accurate: "I've ever made money on Wall Street taking small, and big losses."

Another popular saying is that "broad don't get the sky," meaning that a stock's price doesn't go up indefinitely. Yet, he says, "some stocks like Apple, he can find exceptions to the Wall Street proverb about greed that goes, 'bells and whistles' and investment houses. The performance of professional money managers, such as those in trust departments, is 'mediocre'—to be blunt, he says. At the same time, he is capable of mockery about newsletter-writers: "People are asking for experts, and we're unconsciously present ourselves as such."

The best teacher, says Mr. Frank, remains in stock. "I had the good fortune to lose money a first few trades," he says, "but I learned a lot. You learn much from winning."

He cites the case of Humana, a hospital-management company that along with other stocks in the group has been a poor performer on Wall Street over the last few years, after tremendous earlier gains. Recently, Humana dropped in price to less than half the \$51 a share he projects it will be worth in three years and became a buy for the Prudent Speculator.

Another plus, he says, is that hospital management stocks have been "busted down" and the companies restructured. That is the kind of judgment he calls "informed intuition," adding that he "can't quantify all the factors" that go into stockpicking. In any case, Mr. Frank isn't fickle. He usually holds individual issues three to four years.

Mr. Frank, whose self-described "checked" past

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FOCUS

Debating the Real Value of Japanese Stocks

Continued From Page 13

White of First Boston, who oversees the firm's statistical publication on non-U.S. stocks, is "perhaps a less-than-relevant consideration for stock selection in Japan."

The Tokyo market does not seem quite so high-priced if an investor looks at some other measures of value, analysts say. Other gauges include share price divided by cash flow, which is defined as profit plus depreciation. On a cash-flow basis, says Mr. Ludwig-Malone, Japanese stock prices are not that far out of line with U.S. stocks prices.

Investors also should keep in mind that, in many cases, only a small percentage of the outstanding shares of some major issues are actively traded, says Mr. Ludwig-Malone. A big chunk of a Japanese company's equity is often in the hands of regular customers and its banks, who seldom trade the shares. Thus, even modest amounts of buying can sometimes move prices up sharply. By some estimates, says Mr. Ludwig-Malone, only 45 percent of the share value of the Japanese market is actively traded.

Even with these allowances, the high values being placed on many Japanese stocks are difficult to reconcile with economic developments, analysts say. It is hard to ignore that the P-E of the market has doubled over the last 10 years, while the annual rate of economic growth has slipped from a range of 8 to 10 percent to a range of 2 to 3 percent, says Mr. Schilt.

David Robbins of the British brokerage Phillips & Drew says "there's nothing underpinning the record P-Es of Japanese stocks and little hope of an improvement in corporate profits until next year."

In the long term, Japanese leaders "plan to shift the economy's emphasis from the export of manufactured goods to domestic consumption likely will take many years to accomplish, says Mr. Ludwig-Malone, despite the Nakasone government's resounding re-election victory. Even then, it is not clear that growth will return to the levels of the 1960s and 1970s.

In the shorter term, he also is worried by investors' recent rush into the shares of companies who are touted as having "hidden assets" such as real estate.

"Just in the past two weeks, it's taken a real turn for the worse in terms of quality," she says of the market. "At some point, you have to draw the line."

Such concern has led Mr. Van Oosterloo to pare the portion of his

Market Scoreboard

Stocks on the New York, London and Tokyo exchanges that showed the largest percentage gains and losses in June.

New York Stock Exchange:			Percent Price June 30		
Percent	Price	June 30	Percent	Price	June 30
Compiled by Media General Financial Services. Prices in dollars.					
Sanders Associates	85	53.75	Advanced Micro	25	20.00
Wayne-Gossard Corp.	45	25.00	Winnebago Industries	22	13.00
Imperial Corp. Amer.	40	16.25	Culbert Software	21	12.88
Public International	39	23.88	Teddy's	21	22.00
Fieldcrest Mills	39	85.00	Natl Semiconductor	20	11.75
Merabank Fed'l Savings	34	47.63	Cosco Intl & Expt	20	11.88
Associated Dry Goods	34	68.50	Hyatt Manufacturing	20	28.75
Grt. Amer. First Savings Bank	33	23.25	Flachbach Corp.	19	28.25
IGN Pharmaceuticals	32	16.38	Saffery Group	19	22.38
Int. Corp., Santa Barbara	32	17.00	CompuGraphic Corp.	19	19.25
American Stock Exchange:					
MacGregor Sporting	53	15.25	Aetrex	22	10.00
Home Shopping Network	49	95.38	Ducommun	21	20.88
Tempo Enterprises	49	18.75	Oakwood Homes Corp.	20	18.38
Glennmore Distillers	49	37.00	Eastprods	19	1.00
American Fruitco B	47	14.13	Iroquois Brands	19	29.50
Over the Counter:					
C.O.M.B.	54	87.25	Digital Communication	31	17.00
Convenient Food Mart	52	17.50	B&W Bancshares	31	22.00
American List Corp.	49	18.00	Integrated Device	28	12.50
Osion Industries	48	28.00	American Ecology	27	26.25
Tyson Foods	45	38.00	Air Wisconsin Services	26	10.50
London Stock Exchange:					
Compiled by Morgan Stanley Capital International. Prices in pence.					
AE	87	250	Woodworth Holdings	17	690
Assoc. Newspapers	24	358	Delta Group	12	303
Pearson	24	559	Tricentral	12	83
Kleinwort Benson	20	845	Europacorp Perfin	8	13
Reed International	17	972	Farnell Electronics	8	185
Cadbury Schweppes	16	187	Dee Corporation	8	235
Poulsen Holdings B	15	603	Lex Services	8	287
Burnham Oil	15	410	British Comm. Shipping	7	271
Hambro	15	248	Rio Tinto-Zinc	7	608
Mercury Int'l	15	833	Britoil	7	168
Tokyo Stock Exchange:					
Compiled by Morgan Stanley Capital International. Prices in yen.					
Isikawajima-Harima	61	321	Casa Computer	11	1,450
Daitohwa Paper	59	1,030	Showa Denko	11	378
Sagami Railway	49	770	Esaki Shion	11	531
Nippon Gakki	40	2,140	Kyushu Matsushita	10	2,580
Nippon Kokan	35	191	Tokyo Electron	10	2,880
Brother Industries	34	828	Mitsui Manufacturing	9	2,170
C. Itoh	33	695	Inax	9	1,120
Japan Line	31	123	Shin-Etsu Chemical	9	1,170
Daimaru	30	728	Olympus Optical	9	1,180
Sunimoto	26	1,020	Sekisui Chemical	8	989

International portfolio devoted to Japanese stocks to about 20 percent. "If anything, I'm going to bring it down further," he says. "The risk is getting extreme."

Still, money managers cannot ignore a market that accounts for about half the total value of world stock markets. Mr. Schilt says

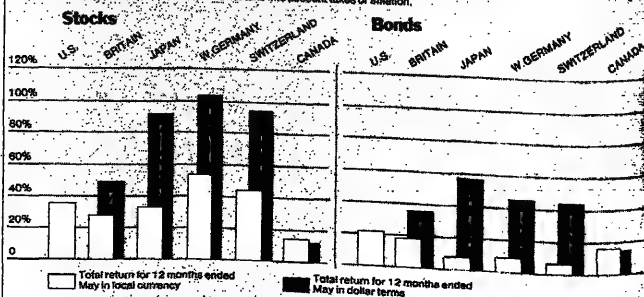
there still are opportunities among individual stocks, given the vast diversity of the Japanese market. "Beneath the surface, you could make a fortune," he says.

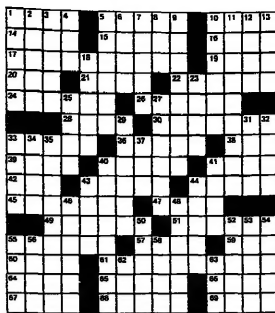
Among the domestic-oriented shares he favors are Asahi Seiki, an auto parts maker, and Orion Leasing, the largest leasing com-

pany in Japan. In the international oriented sector, he likes the big electronics and elect gear makers: Hitachi, Toshiba, NEC, Hitachi and Matsushita. Other selections are Honda, automaker, and Makita, which makes electric tools for working.

Total Return for 12 Months

Total return measured both the change in the price of securities and the income they provide either in dividends or interest. Gains or losses were measured by comparing market indices with their value a year earlier. The chart does not take into account taxes or inflation.





ACROSS

1 Take a risk
5 Blood of the gods
10 Thailand, formerly
14 Exotic
15 Feature of a lariat
16 Ruler
17 Alexander's horse
18 Twice DL II
19 Neighbor of Mex.
21 Beginner for scope
22 Pact, in Paris
24 "— is the night" — Kostas
25 Administrator
26 Brother of Elvis
28 Sort of roof
30 Donkey
36 Lacking
38 Type of hold
39 Loner
40 Georgia nut
41 — libre
42 Fan, member
43 Flynn of film
44 Puzzle
45 Type of cheese
47 Shield
49 Tiddler
51 Prawn
55 Slack
57 "Paradise Lost," e.g.
59 Eggs for Cato
60 "—, but so it is!" — Carol
61 The Duke of Wellington's center
64 Italian wine
65 Estimate
66 Soccer
67 Stagger
68 One of the Setons
69 One of the Setons
70 Actor's first performance
71 Diver
72 Puerto Rico
73 Time of year
74 Be inmate
75 Christmas
76 Compensate
77 Stuck a stick, in
78 "—, but so it is!" — Carol
79 "—, but so it is!" — Carol
80 "—, but so it is!" — Carol

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1 Actor's first performance
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3 Puerto Rico
4 Time of year
5 Be inmate
6 Christmas
7 Compensate
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PEANUTS



BLONDE



BEETLE HAVEN



ANDY CAPP



WIZARD OF ID



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BOOKS

THE PURGE: The Purification of French Collaborators After World War II

By Herbert R. Lottman. 332 pages. \$19.95. William Morrow, 105 Madison Avenue, New York, N. Y. 10016.

Reviewed by Douglas Porch

THE French have always been a very historically minded people. Alexis de Tocqueville observed in the tumultuous year of 1848 that Paris politicians appeared to be acting on the belief of our fathers' passions, "rather than breaking new ground."

And so it was during the liberation of France in 1944, which was the subject of "The Purge." The same reverence for the past, the same complicity with ancestors who had snubbed Louis XVI in like manner, caused spectators at a Lyon tribunal to keep their hats firmly on their heads when the judges filed into the courtroom. The postwar minister of justice, Pierre-Henri Teitgen, boasted to the Constituent Assembly in 1946 that his courts had sentenced 3,720 collaborators to death, 1,508 to hard labor, and 8,500 to prison, a record that nearly equaled that of the revolutionary tribunals of 1793.

Even before the Allied landings of June 1944, Resistance fighters busied themselves executing Vichy officials. Once the Germans began to retreat, the real bacchanalia began, focusing especially on those women accused of "horizontal collaboration." Most accused of being the sort generally dispensed by military barbers.

Hasily conceived courts-martial applied in the Provisional Government's institutions that "you cannot remain passive in the face of the people's anger."

With such a promising beginning, the "Revolution of 1944" as the supporters of Vichy were to call it, has left behind many a mess, most prominent of which is that as many as 120,000 people perished in the resistance.

Lottman joins other historians in arguing for a far smaller number, around 10,000, accurate nature of their functions often made it impossible to blame them for excesses or to replace them.

But apart from the obvious case, collaboration went unpunished because, in the conditions of occupied France, most Frenchmen did not see collaboration as a choice. One slipped into it almost imperceptibly. After all, the Germans had been part of the French landscape since 1940, and by all accounts had behaved decently in the small towns and villages they had occupied for years. This did not make one a pro-German, only human. At the same time, the choice between Resistance or the Milice for many young men often turned on a hair. Who could blame someone for making the wrong choice in 1942 when the Germans seemed the victors and the prospects for liberation remote? In a France where normalcy had to be created because it had ceased to exist, it was difficult to hold a grudge for long against those who had merely sought to survive.

Douglas Porch, Mark W. Clark Professor of History at The Citadel, wrote this review for The Washington Post.

BRIDGE

By Alan Truscott

THE writer suggests that the declarer should assume that a defender had no choice when he plays a honor. Those who find the basic line confusing will be even more confused by the diagrammed deal.

It is a modified version of a recent knockout match decided by a margin of international match point.

Four hearts is reached by a normal route after East has overcalled in spades. Spades are led and continued, as East believes with Q-10 doubleton he might well have played the ten.

But if South finesses the nine and loses because East, not West, turns out to have the ten, he will be told: "You should go by restricted choice."

WEST

♠ 7 6 5 2
♥ 8 7 6 5
♦ 8 7 6 5
♣ 8 7 6 5

SOUTH

♠ A K J
♥ A K J
♦ A K J
♣ A K J

WEST

♠ 7 6 5 2
♥ 8 7 6 5
♦ 8 7 6 5
♣ 8 7 6 5

SOUTH

♠ A K J
♥ A K J
♦ A K J
♣ A K J

WEST

♠ 7 6 5 2
♥ 8 7 6 5
♦ 8 7 6 5
♣ 8 7 6 5

SOUTH

♠ A K J
♥ A K J
♦ A K J
♣ A K J

WEST

♠ 7 6 5 2
♥ 8 7 6 5
♦ 8 7 6 5
♣ 8 7 6 5

SOUTH

♠ A K J
♥ A K J
♦ A K J
♣ A K J

Hinault Wins Tour de France Time Trial

By Samuel Abr

International Herald Tribune

NANTES, France — Bernard Hinault, the 191st man to finish the Tour de France, won the 1986 Tour de France time trial on Sunday, July 13, in a race that was one of the most dramatic of the season.

But Greg LeMond kept alive all the rumors about his rivalry with Hinault for the leadership of the race, a 61.5-kilometer (38-mile) time trial, and moving into third place in the overall standings.

LeMond, a 25-year-old American, would have been even closer if his rear tire had not been punctured seven kilometers from the finish. He lost nearly 40 seconds before a replacement bicycle could be unleashed from the roof of the team car and he could start moving again.

He would not say that the flat had cost him victory, and Hinault did not entertain the suggestion. Hinault has had enough problems of his own. He did badly in the time trial the Saturday before and then came down with conjunctivitis, a common eye ailment for racers on dusty roads. The combination led to widespread reports that he was weaker than he had admitted, especially since, at 31 and in his final year of racing, Hinault has not won a major race this season.

Riding Saturday in his native Brittany, he took a long step toward overall victory. Hinault covered the distance in the individual race against the clock in 1 hour 18 minutes 46 seconds.

LeMond was the only other rider in the 191-man field to finish in under 1 hour 20 minutes, beating that time by 30 seconds.

"I knew during the workout this morning that I would go

well," Hinault said. "It's only one victory but it's a victory."

The big loser of the day was Laurent Fignon, a Frenchman who leads the Tour in the 1986 and 1984.

Fignon finished 32nd, 3-42 behind Hinault. He offered no excuses. "I didn't do well," he said. Asked if he was pleased with Fignon's showing, Hinault said, "I'm never happy to see a race finish in difficulty," he said.

Besides Hinault and LeMond, Saturday's other big winners were Stephen Roche of Ireland, who finished third, and Bernard Williams of Switzerland, who was fifth.

Roche has not finished a stage race this year because of injuries to his left knee in a six-day race in Paris last fall. "The knee is fine now," he said a few days ago. "It's the rest of me that's out of shape."

Like Roche, Zimmermann is a fine climber, but his qualities as a time trialist have been suspect. The Carrera teamsters leave served warning that he will be hard to beat in the mountains.

"Do they have a better team than we do?" Hinault said. "We'll see, won't we?" Then he added, "Our team morale is very strong. Everybody knows what he has to do."

Hinault certainly did before Saturday's start. Deep in concentration, he sat on the starting ramp without looking up as the driver counted off the seconds. Then he set his jaw, exhaled and bolted off.

Tens of thousands of people lined the road, many sitting at picnic tables covered with cloths weighted against the wind with wine bottles.

The weather was cool and overcast; the picknickers' wine bottles were quickly emptied.

The road itself was mainly flat, with a long and gently ascending grade known to racers as a false flat. There were no serious climbs and only a few soft hills.

"Magnificent course," declared Luis Otxa, a former time trialist a decade ago and the winner of the 1973 Tour de France. Now he is a commentator for a Spanish radio station and was driving the course behind Pedro Delgado, a Spaniard with the PDM team based in the Netherlands.

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SPORTS BRIEFS

Puica Sets World Mark of 5:28.69 in 2,000:

LONDON (AP) — Mariuca Puica of Romania set a world record for the women's 2,000 meters by clocking 5 minutes 28.69 seconds at an international track and field meet here Friday night.

Puica, the 2,000-meter Olympic champion, ran away from Zita Buzd and Yvonne Murray of Britain in the final 200 meters to lower the two-year-old mark of 5:28.73 set by Tatyana Kazankina of the Soviet Union.

Mansell Wins, Takes Over Formula 1 Lead

BRANDS HATCH, England — Nigel Mansell took the lead in the world Formula One driver standings by winning the British Grand Prix here Sunday. Hoping to become Britain's first world champion since James Hunt in 1976, Mansell, 33, won for the fourth time in the last five races.

Mansell finished five seconds ahead of his Williams teammate, Brazilian Nelson Piquet. Defending champion Alain Prost of France, the leading driver entering Sunday's race, was third in his McLaren.

The race was marred by a nine-car pileup just after the start in which French driver Jacques Laffite, who was equalling Graham Hill's record of 176 grand-prix starts, broke both axles and a leg.

The accident, at the end of the main pit straight, occurred when Belgian Thierry Boutsen's Arrows BMW hit the left-side safety barrier and rebounded back across the track; the Zakopas of Briton Jonathan Palmer and Canadian Alan Berg's Cecla collided with it. Laffite ran into the barrier on the right.

King Has 1-Stroke Lead in Women's Open

KETTERING, Ohio (AP) — Betty King shot a 2-under-par 70 Saturday to hold a one-stroke lead over Ayako Okamoto after three rounds of the rain-soaked U.S. Women's Open golf tournament.

Okamoto, of Japan, parted only 23 inches in putting a second straight 69 that put her in second place at 214. It was three shots back to Judy Dickinson, Sally Little and Deb Richardson, tied at 217. Little and Richardson each missed par 72. Dickinson, who shared the second-round lead with King, slipped to a 74.

An afternoon downpour delayed play for 2 hours 17 minutes. 10 players still were on the course when play was temporarily halted for the third straight day.

Australia Routs Argentina in Rugby, 26-0

SYDNEY (UPI) — Australia routed Argentina, 26-0, in Saturday's finale of a two-match rugby union series. Australia had won its opener, 39-19, in a 24-test. No. 8 Steve Tynman scored another and Michael Lynagh kicked four penalty goals and a dropped goal.

NFL Union Agree to Drug-Test Arbitration

WASHINGTON (AP) — The National Football League and the players' union agreed late Friday to binding arbitration over Commissioner Pete Rozelle's plan for mandatory, random drug testing.

The league agreed not to implement the plan until arbitrator Richard Kasher, deciding whether Rozelle has the authority to order testing beyond that allowed by the collective bargaining agreement. Kasher's decision is expected in mid-September, about a week after the season begins.

هكمان الاحمل

The Crime of Treason

Where There's Smoke, There's Fiery Actress Debra Winger

The actress in "Legal Eagles"—"A lot of people keep trying to clip your wings."



On "Terms of Endearment," which won the Academy Award for best picture of 1983, the actress enjoyed her collaboration

Stephen Farber is a free-lance writer who contributed this article to *The New York Times*.

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